

# Summary of Stakeholder Meeting Notes

Police & Fire Retirement Board, March 6, 2008, 11:30 AM

## **Purpose of Stakeholder Feedback Sessions**

The San Jose City Council has authorized the Stakeholder Feedback Process to:

- Provide information about the new GASB (Government Accounting Standard Board) requirements and current/future retiree health cost liabilities, and to
- Solicit ideas from stakeholders about how to respond to the new GASB requirements and how best to pay for and manage future retiree health care costs.

## **Guiding Principles Offered by Stakeholders**

The following are Stakeholders' points of guidance for the decision-making process related to GASB requirements and the City's/employees' current and future retiree health care obligations:

- When benefit plans are designed in the City, it is important to be aware of the 'teeter-totter effect.' In cases where plan changes and compensation increases are involved, the Boards tend to be negatively affected. Caution to constantly pay attention to creating a balance was strongly advised.
- Recent news reports (ex. Fidelity article) exemplify that the cost of healthcare is increasing at a rapid rate.

## **Possible Actions and Ideas Suggested by Stakeholders**

The following are Stakeholders' suggestions and ideas about how to respond to GASB requirements and to pay for/manage current and future retiree health care obligations:

- Given that Retirement Health Saving (RHS) accounts do not aid current retirees and employees approaching retirement to save for their future healthcare cost, look into other funding vehicles that may allow retirees to pay for this cost with the same benefits (tax savings) that are gained from RHS accounts.

## **Next Steps**

- Continue the Stakeholder Feedback Process
- Post results of each Stakeholder Session on the City's Website
- Incorporate added comments
- Assemble all Feedback Session results into a non-evaluative report of Stakeholder Feedback and ideas for the City Council